

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

NOTICE OF MARKET-DOMINANT PRICE
ADJUSTMENT AND CLASSIFICATION CHANGES
RELATED TO MOVE UPDATE ASSESSMENT

Docket No. R2017-7

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 3**
(July 20, 2017)

The Postal Service hereby files its response to Chairman's Information Request (CHIR) No. 3, issued on July 13, 2017. The questions are stated verbatim and followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 3

For the following two questions, please refer to Excel file "CAPCALC-SpecServ 3q16 to 2q17 7-7-17.xlsx," tab "G-1 Address Correction" that the Postal Service submitted in response to Chairman's Information Request No. 1, question 3.¹

1. Please refer to cell range B57:C63, which contains the hardcoded volume of Address Correction Services (ACS) Notices that would have been provided for free had the Move Update proposal been implemented during the first two quarters of 2017. Please provide a detailed explanation of the sources, processes, and procedures that were used to generate these numbers.

RESPONSE:

The volume of Address Correction Services (ACS) Notices that would have been provided for no fee had the Move Update proposal been implemented during the first two quarters of 2017 was retrieved from two sources based on the type of ACS-requested Service Type Identification (STID) on the piece: the Seamless Acceptance and Service Performance (SASP) database and the National Customer Support Center.

As explained in the subsequent paragraph, the number of change of address (COA) and NIXIE² notices for pieces with both Full-Service and OneCode ACS-requested STIDs was retrieved from SASP by mail class and shape. Next, this universe of pieces was narrowed down to the subset that would have qualified for no-fee ACS under the proposal: the Basic First-Class Mail and USPS Marketing Mail letters and flats that 1) bore a unique IMb; 2) included a valid ACS-requested STID; 3) were associated to an eDoc with valid By/For data; and 4) were entered by an eDoc Submitter who prepared at least 95 percent of its commercial volume as Full-Service in a previous calendar month.

¹ Response of United States Postal Service to Chairman's Information Request No. 1, Question 3, July 11, 2017.

² Nixie is the term used to identify a mailpiece as Undeliverable as Addressed (UAA) for a reason other than a COA. See *Mailing Standards of the United States Postal Service, Domestic Mail Manual* § 507 Exhibit 1.4.1 (delineating the possible endorsements for a UAA piece).

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 3

The number of COA and NIXIE notices for pieces with a OneCode ACS STID were taken directly from SASP because these pieces participated in OneCode and fit the above-mentioned criteria, thus qualifying for no-fee ACS under the proposal. Meanwhile, a two-step process was undertaken to identify the pieces bearing a Full-Service ACD STID that paid for ACS notices. First, the number of COA and NIXIE notices for pieces with a Full-Service ACS STID were pulled by Mailer Identification (MID) of the IMb from SASP. Next, that data was then compared to a list provided by NCSC of mailers that had enrolled in SingleSource ACS Fulfillment and received and paid for ACS notifications that were otherwise not available from SASP. In addition, the subset of COA and NIXIE notices with a Full-Service ACS STID that also enrolled in SingleSource ACS were included in the total counts. The number of notices with either a OneCode or Full-Service ACS STID were then combined to produce the totals provided by mail class and shape in cell range B57:C63.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 3

2. Please refer to cell D136, which contains the First-Class Mail share of automated ACS Notices that would have been provided for free had the Move Update proposal been implemented during the first two quarters of 2017.
 - a. Please explain why the cell's formula pulls from First-Class Mail Electronic transactions (cell D74) for FY 2017 Quarter 1 and First-Class Mail Automated 1st 2 Notices transactions (cell L76) for FY 2017 Quarter 2.
 - b. Please explain the difference between the cell D136 formula and cell D137 Marketing Mail formula which uses inputs from USPS Marketing Mail Electronic transactions (cell D89 for FY 2017 Quarter 1 and cell L89 for FY 2017 Quarter 2).

RESPONSE:

- a. The formula in cell D136 incorrectly referred to cell L76, rather than cell L74. The formula has been corrected in the revised CapCalc Excel file being submitted with this response as "CAPCALC-SpecServ3q16to2q17 7-20-17.xlsx." The formula correction resulted in a change in prices in this docket from a decrease of 0.044 percent to a decrease of 0.043 percent, and the unused price adjustment authority changed from 1.653 percent to 1.652 percent. A description of each revision made to the workpaper can be found in the new "Errata Log" worksheet in the CapCalc Excel file. Accordingly, we will file errata to the Notice shortly.
- b. As stated in response to question 1(a), the formula in Cell D136 included an error that has been corrected. Cell D137, in contrast, contained the correct formula in the revised CapCalc Excel file submitted in response to ChIR No.1, question 3.